averages, rather than individuals, and the reality of where people live, we must commit to address reasonable compensation in greater detail. The reality is: the reimbursement system for health care plans is surprisingly disassociated with the actual costs of delivering care. We must invest today in designing and implementing a realistic, scientifically based reimbursement structure.

A key component of the Balanced Budget Act was the move toward equity in payment across the country. Many HMOs were counting on receiving additional funds, following review by HCFA on the vast geographic disparities in payment. However, HCFA decided to postpone this adjustment until 2000, based on inadequate funds following an across-the-board 2% update. Thus, the so-called ''blended rates'' will not be applied until 2000. HCFA plans to incorporate risk adjustment in 2000 to reduce selective enrollment by plans and reduce total overpayments to managed care plans. HCFA has also recognized the adjustments necessary in implementing new plans, and has thus allowed leeway with quality improvement plans. There are some who feel that recent developments could have been avoided if HCFA acted more rapidly and more responsibly in carrying out Congress' mandate. Congressman Bilirakis, chairman of the House Commerce Subcommittee on Health and the Environment, stated that federal health officials were ''guided by a rigid bureaucratic mentality which led to ossification rather than modernization of the Medicare program.''

The decision of so many managed care plans to withdraw and downsize their Medicare contracts raises a red flag. We must first resolve the immediate coverage disruptions facing many of our elderly, and then we—this Congress, this President, HCFA, the insurance industry and seniors—must pledge to work together to make this program a success. Not only in the short term, but with an eye to the future. To survive, Medicare must change. Medicare needs the flexibility to respond to the changing health care environment, not only for our generation, but for our children and grandchildren. Now is the time for commitment and compassion, rather than overreaction or prematurely concluding failure of changes made to date. Knee jerk reactions, rather than thoughtfully moving to solve the problems, will only wreak further havoc on this evolving program. A commitment to education, and a more rational, responsive administrative and oversight structure must be pursued to meet future needs in Medicare and the care of our seniors. On a positive note, there are 48 pending applications of private plans wishing to enter the Medicare Market; 25 plans have requested to expand their current service areas. By working with HCFA, the insurance industry, hospitals, health care providers, and beneficiaries, we can assure that the Medicare+Choice program will reach its full potential of better and more secure care for seniors and individuals with disabilities.

Also embedded within my remarks is a challenge to the Congress. Although we just passed, last year, the Balanced Budget Act that stretched the solvency of Medicare until 2008, it is clear that the Congress must promptly revisit Medicare once the National Bipartisan Commission on the Future of Medicare files its report by March 1, 1999. The dynamics of American health care, and the rapid changes in care for the nation's seniors, will not allow for maintenance of the status quo for the next decade. It is my hope that the current focus on Medicare+Choice serves as a catalyst for renewed discussion on the future of Medicare once we have the Medicare Commission's recommendations in hand. We will be remiss in our responsibility if we do not again next year continue our efforts to insure the solvency and improve the quality of the Medicare program—for our seniors, our parents and grandparents, today—and for all Americans—including our children—tomorrow.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. GRAMS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I ask unanimous consent to speak for 15 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

EDUCATION AND THE FEDERAL GOVERNMENT

Mr. DORGAN. Mr. President, I would like to respond briefly to the comments made by the majority leader earlier this morning on the subject of education.

I have great respect for our Senate majority leader. He and I agree on some things and disagree on others, but I always have great respect for his opinion. But on the issue of schools and what kind of, if any, involvement the Federal Government shall have on this issue, I think we have a very substantial disagreement.

State and local governments, especially local school boards, will always run our school system, and that is how it should be. I don't suggest, and would never suggest, that we change that.

However, there are some things that we can and should aspire to as a nation in dealing with education. One is to improve and invest in the infrastructure of our schools. I have spoken on the floor a good number of times about the condition of some of the schools in this country. I won't go into that at great length, but let me just describe a couple of them.

At the Cannon Ball Elementary School in Cannon Ball, ND, most of the children going to that school are Indian children. There are about 150 students who must share only two bathrooms and one water fountain. Part of the school has been condemned. Some of those students spend time in a room down in the older part of the school that can only be used during certain days of the week because the stench of leaking sewer gas frequently fills that room with noxious fumes that requires it to be evacuated.

They can't connect that school to the Internet because the wiring in that 90-year-old facility will not support technology. The young children who go through those schoolroom doors are not getting the best of what this country has to offer. And that school district simply does not have the funds on its own to repair that school or build a new one.

I challenge anyone in this Congress to go into that school building and say no to young Rosie in third grade who asked me, ''Mr. Senator, can you buy us a new school?'' I would challenge anyone to go into that school, and decide whether that is the kind of school you want your children to go to. Can you say that your children are entering a classroom that you are proud of? I don't think so.

That school district doesn't have the capacity to repair that school on its own. It has a very small tax base that will not support a bonding initiative for building a new school. There are schools like that—the Cannon Ball Elementary School, or the Ojibwa Indian School on the Turtle Mountain Reservation—all over this country, and we ought to do something about it. We can do something about it we enacted a number of proposals on school construction. That ought to be a priority for this Senate. So, too, ought this Senate have as its priority trying to help State and local governments and school districts reduce class size. It makes a difference.

I have two children in public schools, in grade school. One goes to school in a trailer, a portable classroom. The other is in a class with 28 or 29 students. And it has almost always been that way. Would it be better if they were in schools with class sizes of 15, 16 or 18 students? Of course, it would. Does a teacher have more time to devote to each student with smaller classrooms? Of course. Of course. Can we do something about that? Only if this U.S. Senate determines that education is a priority. Only if we decide to do something about it. I am not suggesting that we decide that we ought to run the local school systems; that is not

the case at all. But we should decide that we as a nation have the capability and the will to modernize and help construct the kind of schools that all of us would be proud to send our children to.

NEED FOR URGENT ACTION ON HOME HEALTH CARE

Mr. DORGAN. Mr. President, as we reach the conclusion of this 105th Congress, I note that there are a good many issues yet to be discussed and resolved. I wanted to come to the floor to talk about one issue that is very important, the issue of home health care. It is vitally important that Congress take action on this issue before adjourning.

I am very familiar with home health care. This is not theory to me. It is not an issue that I just read about and only understand from books and manuals and rules and regulations.

One snowing Wednesday evening in January a number of years ago, my mother was killed in a tragic manslaughter incident in North Dakota. She had gone to the hospital to visit a friend and on her drive home, four blocks from home, a drunk driver going 80 to 100 miles an hour and being chased by the police hit her and killed her instantly.

During this same period, my father was having significant health problems, and as so often is the case, my mother was providing the bulk of his care at home in Bismarck, ND. I will perhaps never forget the moment of having to wake my father up and tell him that my mother had lost her life.

In addition to the shock of losing our mother, my family understood that we were also going to have to struggle to make sure my father got the care he needed. In the days ahead, we began talking about what we could do to help my father in his fragile state of health. One of the things we discovered was that there is in this country a system of home health care. Through this system, skilled health care providers will come into the home on a routine basis to help to meet the health care needs of those who desperately need it.

My family used the home health care system and the services of wonderful nurses and others who worked in home health to care for my father. It allowed us to keep my father out of a nursing home and in the home that he had lived in for so many years with my mother.

Was that important? Yes. It was very important and made life much, much better for him. And it occurred because we have a home health care system that could provide the routine health care needed to allow my father to continue to live at home. My father is gone now, but I still remember how important that home health care was and still is to millions of families all across this country.

Home health care is a wonderful Medicare benefit because it allows older Americans to remain at home and to be independent where they are most comfortable, rather than having to go into more costly hospitals or nursing homes.

But at this time, we have in our country a very serious financing problem with home health care that is jeopardizing this Medicare benefit. Before we end this session of the Congress, we need to do something to address it. I would like to describe just for a moment what that problem is.

Congress, last year, passed the Balanced Budget Act, something I supported. This legislation made a lot of changes to Medicare and to the home health care program. Some of those changes were warranted because the home health care program had mushroomed, and we had to constrain the rate of growth of home health care spending, which had more than tripled in the early 1990s.

But Congress went too far and, in my judgment, made a mistake in the way it implemented what is called the interim payment system, which is now having a devastating impact on home health care agencies and Medicare beneficiaries. The current interim payment system penalizes the very home health care agencies that have operated most efficiently in the past, and it locks in the payment inequities that currently exist. The result is that 1,100 home health agencies nationwide have closed their doors.

Unfortunately, the very Medicare beneficiaries who are being harmed the most by this interim payment system that is so unfair are those Americans who need home health care the most. That is because, under this interim payment system, more than 80 percent of home health agencies will be paid a capped amount called the ''per-beneficiary limit.''

In my home State, the average per-beneficiary limit is $2,247, not nearly enough to cover the cost of care needed by the sickest and the most frail of Medicare beneficiaries.

The home health care folks have a Hobson's choice. They can close their doors, or they can start a kind of cherry-picking with respect to those who need home health care service. In other words, they can choose to serve only the less ill or less sick Medicare beneficiaries whom they know will not exceed the per-beneficiary cap.

I am told cherry-picking is not yet occurring in my home State. But I am afraid it is only a matter of time before home health agencies have no choice and begin to do that.

I don't believe it was Congress' intention to cause efficient home health agencies to close or to stop caring for sicker patients, and I think it is imperative that this Congress solve this problem.

In the negotiations on the budget, I hope very much that will happen. If we wait until next year, it is going to be too late. Hundreds of agencies will probably not be there and a good many of the sickest and the most frail health care beneficiaries who need home health care will not get it.

I have cosponsored a bill introduced by Senator COLLINS and others, the Medicare Home Health Equity Act, that would make the home health payment system more fair to the historically efficient providers, and reduce the incentive for dropping sick patients.

Let me emphasize again that the purpose is to make the home health care system more fair to the historically efficient home health care providers.

There have been dozens of bills introduced to solve the problem, and to date more than two-thirds of the Senate from both political parties have cosponsored one or more of these bills, or have gone on record in support of efforts to address the problem.

With nearly 70 Senators cosponsoring or supporting legislation of this type, I think we ought to, before Monday evening or whenever we adjourn, fix this home health care payment system.

I know my colleagues on the Senate Finance Committee have been working to develop legislation that will at least deal with the most pressing problems in this interim payment system and to tide the home health agencies over until permanent changes can be implemented.

One of the challenges they face is to do this in a fiscally responsible way that will not harm other areas of Medicare.

It is also important, I think, not to be asking older Americans, especially those who have reached the age of declining income, to shoulder the cost for this change through a new copayment on home health services.

I know that the Congress can meet this challenge if it decides this is a priority between now and perhaps Monday evening. Congress must, in my judgment, begin to select the right priorities.

We seem to be at loggerheads here in negotiations between the House and the Senate, the Congress and the President, Democrats and Republicans. Between now and when we complete the final omnibus spending bill, we must make choices about what our priorities are, what is more important, and what is less important.

I ask that we decide that dealing with the home health care payment system is more important. That it be one of the priorities.

This is something we can do. It is not something that is terribly difficult. It is simply a choice that we will make—Democrats, Republicans, liberals, conservatives, all of us deciding together how we spend limited resources on nearly unlimited wants in this country.

Mr. President, I know others wish to speak, and I would say to the majority leader that this will be an interesting couple of days. He, I am sure, will have a significant challenge working with all of us to try to figure out what the priorities will be in the closing hours of